balances as permitted in §90.207(c)). For model year 2005 and later, the report must include a calculation of the production weighted average $HC+NO_X$ (including $NMHC+NO_X$) FEL for Class II engine families to show compliance with the provisions of §90.203(g)(2).

(b) The calculation of eligible production for end-of-year and final reports must be based on engines produced for the United States market, excluding engines which are subject to state emission standards pursuant to a waiver granted by EPA under section 209(e) of the Act. Upon advance written request, the Administrator will consider other methods to track engines for credit calculation purposes that provide high levels of confidence that eligible production or sales are accurately counted.

(c)(1)End-of-year reports must be submitted within 90 days of the end of the model year to: Manager, Engine Compliance Programs Group (6403–J), U.S. Environmental Protection Agency, Washington, DC 20460.

(2) Unless otherwise approved by the Administrator, final reports must be submitted within 270 days of the end of the model year to: Manager, Engine Compliance Programs Group (6403–J), U.S. Environmental Protection Agency, Washington, DC 20460.

(d) Failure by a manufacturer to submit any end-of-year or final reports in the specified time for any engines subject to regulation under this part is a violation of §90.1003(a)(2) and section 213(d) of the Clean Air Act for each engine.

(e) A manufacturer generating credits for banking only who fails to submit end-of-year reports in the applicable specified time period (90 days after the end of the model year) may not use the credits until such reports are received and reviewed by EPA. Use of projected credits pending EPA review is not permitted in these circumstances.

(f) Errors discovered by EPA or the manufacturer in the end-of-year report, including errors in credit calculation, may be corrected in the final report.

(g) If EPA or the manufacturer determines that a reporting error occurred on an end-of-year or final report previously submitted to EPA under this section, the manufacturer's credits and credit calculations must be recalculated. Erroneous positive credits will be void except as provided in paragraph (h) of this section. Erroneous negative credit balances may be adjusted by EPA.

(h) If EPA review determines a reporting error in the manufacturer's favor (that is, resulting in an increased credit balance) or if the manufacturer discovers such an error within 270 days of the end of the model year, EPA shall restore the credits for use by the manufacturer.

§90.211 Request for hearing.

An engine manufacturer may request a hearing on the Administrator's voiding of the certificate under §§90.203(h), 90.206(e), 90.207(f), 90.208(c), or 90.209(f), pursuant to §90.124. The procedures of §90.125 shall apply to any such hearing.

§90.212 Optional transition year averaging, banking, and trading program for Phase 2 handheld engines.

(a) In lieu of the averaging, banking, and trading program described in §§90.204 through 90.211, a handheld engine manufacturer may, through model year 2010, participate in an optional transition year averaging, banking and trading program as described in §§90.213 through 90.220.

(b) Under this optional transition year program, if an engine family has an FEL below the applicable standard for that year, it can generate emission credits as calculated in §90.216. These credits will be determined by subtracting the engine family's FEL from the standard and multiplying by the appropriate adjustment factor selected from Tables 1 through 3 in §90.216. These credits will be designated as ''Optional Transition Year'' credits. These credits, as adjusted by these factors, may be used in subsequent model years through model year 2007 to demonstrate manufacturer compliance with the applicable standard. Beginning in model year 2008 and continuing through model year 2010, these optional transition credits can be used to demonstrate compliance if, prior to the use of any credits, the manufacturer's average emission level as calculated